

Message Text

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SUBJ: SUMMER ELECTIONS IN ONTARIO? - A GROWING POSSIBILITY

REF: TORONTO 395

SUMMARY: ESCALATING POLITICKING BY THE OPPOSITION PARTIES
IN THE PROVINCIAL LEGISLATURE OVER THE 37.5 PERCENT INCREASE
IN HEALTH BENEFIT PREMIUMS PROPOSED IN THE PROVINCIAL BUDGET
HAS DEVELOPED TO THE POINT WHERE THE MEDIA SEEM SERIOUSLY
CONCERNED THAT THE TORY MINORITY GOVERNMENT MAY FALL AND
WHERE COMMUNITY BUSINESS LEADERS ARE DISQUITED ABOUT THE
POSSIBILITY. END SUMMARY.

1. THE 37.5 PERCENT INCREASE IN PROVINCIAL
INSURANCE PREMIUMS CONTAINED IN THE MARCH BUDGET OF ONTARIO
TREASURER DARCY MCKEOUGH HAS BEEN UNDER CONTINUING ATTACK
BY THE OPPOSITION LIBERAL AND NDP CAUCUSES. AN NDP MOTION
OF NO CONFIDENCE FAILED LAST WEEK WHEN THE LIBERALS SUPPORTED
THE TORY MINORITY GOVERNMENT ON THE BASIS THAT THE GOVERNMENT
HAD NOT YET TIME TO DIGEST LIBERAL REVISION PROPOSALS. SUCH
PROPOSALS INCLUDE PARTIAL FUNDING FROM PROVINCIAL
LOTTERY PROCEEDS AND A MIX OF OTHER SAVINGS AND
REVENUE MEASURES. TREASURER MCKEOUGH ANNOUNCED APRIL
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PAGE 02 TORONT 00653 211143Z

19 AN INCREASE IN THE NUMBER OF ONTARIO'S CITIZENS
SUBSIDIZED IN FULL OR IN PART FOR HEALTH PREMIUMS.
THE LIBERALS STATED THEY DO NOT FIND THIS SUFFICIENT
RELIEF AND HAVE THREATENED A MOTION OF NO CONFIDENCE
IF THE GOVERNMENT DOES NOT COME UP WITH AN ACCEPTABLE
MODIFICATION BY APRIL 25. WHILE IT IS SUSPECTED THAT
THE NDP WILL VOTE WITH THE TORY GOVERNMENT ON SUCH A

NON-CONFIDENCE MOTION, THERE IS POSSIBILITY THAT IN THIS CAMPAIGN OF ESCALATING POLITICIZING, WITH EACH OPPOSITION PARTY TRYING TO CAPTURE THE ISSUE AS ITS OWN, THE NDP COULD BE FORCED TO SUPPORT A NON-CONFIDENCE MOTION ON LIBERAL TERMS BY THE END OF THE MONTH. ON TOP OF THE FIGHT OVER THE ISSUE BETWEEN THE TWO OPPOSITION PARTIES, THERE IS A DANGER IN THAT BOTH OPPOSITION LEADERS ARE RELATIVELY NEW TO LEADERSHIP AND HAVE NOT EXHIBITED COMPLETE MASTERY OF PARLIAMENTARY INFIGHTING WITHOUT BRINGING DOWN A GOVERNMENT.

2. TORONTO BUSINESS LEADERS SEEM DISTURBED ABOUT WHAT MANY CONSIDER A REAL POSSIBILITY, A PROVINCIAL ELECTION THIS SUMMER, THE THIRD IN A FEW YEARS. THE MEDIA HAS DRIFTED IN ITS COVERAGE TO THE POINT WHERE THE POSSIBILITY THAT THE GOVERNMENT MIGHT FALL IS PRESENTED AS A MODERATE PRACTICAL VIEW. THE CONSULATE GENERAL HAS BEEN TOLD BY HIGHLY PLACED STAFFERS IN THE PREMIER'S OFFICE THAT THE TORIES' ACTIVITY IN A MINORITY GOVERNMENT SITUATION MUST BE BASICALLY TO KEEP THE TWO OPPOSITION GROUPS OFF GUARD WITH ONE ANOTHER - THE PITFALLS POSSIBLE ARE OBVIOUS.

3. COMMENT - IT IS TOO EARLY TO SAY THAT THE TORY MINORITY GOVERNMENT OF PREMIER WILLIAM DAVIS WILL
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PAGE 03 TORONT 00653 211143Z

"PROBABLY" FALL BUT THERE ARE GROWING INDICATIONS THAT THE ODDS AGAINST SUCH HAPPENING ARE SHORTENING. IF THERE WERE MORE EXPERIENCED LEADERSHIP IN THE OPPOSITION PARTIES, OUR SUSPICIONS WOULD BE THAT A PROVINCIAL ELECTION WOULD BE AVERTED THIS SUMMER. BUT WITH THE CONFUSION SURROUNDING THE ISSUE - FORMER PROVINCIAL LIBERAL LEADER ROBERT NIXON TOLD THE PRESS THAT THE FEDERAL TORIES HAVE PUT PRESSURE ON THEIR PROVINCIAL COUSINS TO LAY OFF BECAUSE OF THE ALLEGED DAMAGE THE HEALTH INSURANCE INCREASE MIGHT DO TO TORIES IN THE FEDERAL ELECTIONS; FORMER NDP LEADER STEPHEN LEWIS, IN HIS REGULAR TELEVISION EDITORIAL AS PART OF LOCAL STATIONS NEWS PROGRAM, SUGGESTED THAT PRIME MINISTER TRUDEAU HAD BETTER GET OFF THE STICK AND DISSOLVE THE FEDERAL PARLIAMENT AS EVENTS SURROUNDING HEALTH INSURANCE AT THE PROVINCIAL LEVEL STRONGLY SUGGESTED THE GROWING POSSIBILITIES OF A PROVINCIAL ELECTION THIS SUMMER, ETC - IT IS HARD TO COME TO ANY RATIONAL CONCLUSION. HOWEVER, THE "POSSIBILITY" IS VERY MUCH PRESENT THAT ONTARIO COULD WELL BE GOING TO THE POLLS PROVINCIALLY DURING THE SUMMER OF 1978.
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